



34009 ALVARADO-NILES ROAD
UNION CITY, CALIFORNIA 94587
(510) 471-3232

July 27, 2010

Karen Douglas, Chair
California Energy Commission
1516 Ninth Street, MS-33
Sacramento, California 95814

RE: PON #400-09-401: CaliforniaFIRST Program

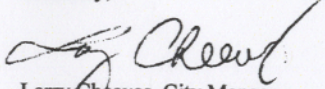
Dear Chair Douglas:

The City of Union City is concerned about the potential cancellation of the California Energy Commission's (CEC's) 400-09-401 contracts. In light of recent FHFA statements regarding Property Assessed Clean Energy (PACE) financing; however, the City is pleased that the CEC is willing to make adjustments to their award process while continuing to support an array of energy efficiency retrofit financing options along with PACE. There is a clear need for innovative financing tools for energy efficiency improvements and it is imperative that the CEC use the State Energy Program (SEP) funds to support the development and rollout of energy efficiency financing options in California.

The City of Union City, in coordination with the CaliforniaFIRST program, is ready to substitute other financing mechanisms and establish a robust retrofit program if granted the opportunity. We have high hopes that PACE will be viable in the near future and that the CaliforniaFIRST contract will deliver the benefits of job creation and reduction in energy use. It is critical that the CEC use the SEP funds to support financing for energy retrofits in California. These efforts must be undertaken quickly in order to stimulate the job market and leverage additional ARRA funds, including other SEP retrofit programs, as well as the Energy Efficiency Conservation Block Grants, Investor-Owner Utility rebate programs, and the proposed federal HOME STAR program. The CaliforniaFIRST program, with 141 participating jurisdictions, is in a unique position to deploy these funds efficiently, effectively, and expeditiously with a broad reach across the state.

Thank you for your continued efforts to support financing for energy efficiency improvements. Please contact Avalon Schultz, Associate Planner, at (510) 675-5321 with any questions.

Sincerely,


Larry Cheeves, City Manager
City of Union City

cc: California Energy Commissioners - James D. Boyd, Jeffrey D. Byron, Anthony Eggert, and Robert Weisenmiller